

Message Text

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47

ACTION AF-06

INFO OCT-01 EUR-12 ISO-00 IO-10 AID-05 CIAE-00 DODE-00

PM-03 H-01 INR-07 L-02 NSAE-00 NSC-05 PA-01 RSC-01

PRS-01 SP-02 SS-15 USIA-06 CIEP-01 OMB-01 EB-07

TRSE-00 XMB-02 COME-00 FRB-01 /090 W
----- 042256

R 021230Z JAN 75

FM AMCONSUL LOURENCO MARQUES

TO SECSTATE WASHDC 3155

INFO AMEMBASSY BLANTYRE

AMCONSUL CAPE TOWN

AMEMBASSY DAR ES SALAAM

AMEMBASSY GABORONE

AMEMBASSY LISBON

AMEMBASSY LONDON

AMCONSUL LUANDA

AMEMBASSY LUSAKA

AMEMBASSY MBABANE

AMEMBASSY PRETORIA

USMISSION USUN

CINCLANT FOR POLAD

CINCEUR

LIMITED OFFICIAL USE LOURENCO MARQUES 0004

CAPE TOWN FOR EMBASSY

E.O. 11652: N/A

TAGS: EAID, MILL, PO, MZ

SUBJECT: HIGH COMMISSIONER ANNOUNCES GOP MEASURES TO
ASSIST MOZAMBIQUE

1. HIGH COMMISSIONER VICTOR CRESPO USED NEW YEAR'S MESSAGE
TO ANNOUNCE FOLLOWING GOP MEASURES TO ASSIST MOZAMBIQUE:

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KA) GOP HAS GIVEN GRANT AID OF 500,000 CONTOS (\$20 MILLION)
TO MOZAMBIQUE'S FUNDO CAMBIAL (FOREIGN EXCHANGE FUND) TO BE
USED TO PERMIT RESIDENTS OF MOZAMBIQUE TO TRANSFER FUNDS TO
DEPENDENTS RESIDING ABROAD. MOZAMBIQUE LEGISLATION REGULATING

TRANSFERS WILL BE PUBLISHED SOON. COUNTERPART MOZAMBIQUE ESCUDOS FROM THESE TRANSFERS WILL BE USED BY MOZAMBIQUE GOVERNMENT TO PROVIDE ECONOMIC ASSISTANCE TO COMPANIES HURT BY SEPTEMBER AND OCTOBER EVENTS.

ACCORDING TO CRESPO,

MEASURE WILL:

- ALLEVIATE PRESSURES ON MOZAMBIQUE'S FOREIGN EXCHANGE FUND, FREEING SOME FOREIGN EXCHANGE FOR ESSENTIAL IMPORTS NEEDED BY MANUFACTURING SECTOR;
- STABILIZE PRODUCTIVE CAPACITY OF MOZAMBIQUE BY MAKING IT POSSIBLE FOR HEAD OF FAMILY (WITH FAMILY OUTSIDE COUNTRY) TO REMAIN IN MOZAMBIQUE;
- REDUCE IMPORT NEEDS BY MAKING IT FINANCIALLY POSSIBLE FOR FAMILIES TO LEAVE MOZAMBIQUE;
- CREATE JOBS, INCREASE INTERNAL SUPPLY, AND ASSIST EXPORTS BY USING COUNTERPART FUNDS AS INDICATED.

(B) GOP COUNCIL OF MINISTERS HAS APPROVED LAW CREATING "ATTACHE" CORPS FOR GOP CIVIL SERVANTS SERVING OVERSEAS AND WISHING TO MAINTAIN PORTUGUESE CITIZENSHIP. LAW GUARANTEES GOP PROMOTION AND PENSION RIGHTS TO "ATTACHES". CONDITIONS UNDER WHICH ATTACHES WILL WORK, AS WELL AS SALARY TRANSFERS, WILL BE SUBJECT TO NEGOTIATION BETWEEN GOP AND MOZAMBIQUE TRANSITION GOVERNMENT. GOP WILL ALSO TRY TO PLACE PORTUGUESE CIVIL SERVANTS WHO DO NOT WANT TO REMAIN OVERSEAS IN GOVERNMENT POSITIONS IN PORTUGAL. IF NO POSITION IS AVAILABLE FOR CIVIL SERVANT, GOP WILL PAY HIM HALF SALARY UNTIL IT IS ABLE TO PLACE HIM.

(C) GOP AND MOZAMBIQUE TRANSITIONAL GOVERNMENT WILL BEGIN NEGOTIATIONS IN JANUARY ON AGREEMENTS COVERING COOPERATION IN ECONOMIC-FINANCIAL, TECHNICAL, AND CULTURAL AREAS.

(D) GOP IS PREPARED TO PROVIDE MILITARY TECHNICAL SUPPORT AND ASSISTANCE IF REQUESTED BY FRELIMO.

2. COMMENT: MEASURES ANNOUNCED BY HIGH COMMISSIONER HAVE LIMITED OFFICIAL USE
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BEEN GENERALLY WELL-RECEIVED, SHOULD BOOST MORALE AND CONFIDENCE OF WHITES IN MOZAMBIQUE, AND WERE TIMELY IN VIEW OF EXPECTED JUMP IN EXODUS IN JANUARY AFTER DISTRIBUTION OF 13TH MONTH SALARIES. PERMISSION TO MAKE TRANSFERS FOR DEPENDENTS ABROAD IS A PARTICULARLY IMPORTANT MEASURE, HELPING MANY WHO WOULD LIKE TO REMAIN IN MOZAMBIQUE BUT, IN VIEW OF THE DECLINE IN QUALITY OF EDUCATION IN MOZAMBIQUE, FEEL FORCED TO SEND THEIR CHILDREN TO STUDY ELSEWHERE. THE ATTACHE CORPS SHOULD HELP REDUCE FEELING OF INSECURITY ON PART OF PORTUGUESE CIVIL SERVANTS SERVING OVERSEAS AND AT SAME TIME MAKE RETURN TO PORTUGAL A RISKY PROPOSITION IN VIEW OF THE POSSIBLE, IF NOT LIKELY, 50 PERCENT REDUCTION IN

SALARY.

REED

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Message Attributes

Automatic Decaptioning: X
Capture Date: 18 AUG 1999
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 02 JAN 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975LOUREN00004
Document Source: ADS
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: n/a
Film Number: n/a
From: LOURENCO MARQUES
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750188/abbrzhjs.tel
Line Count: 113
Locator: TEXT ON-LINE
Office: n/a
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: MorefiRH
Review Comment: n/a
Review Content Flags:
Review Date: 10 JUN 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <10 JUN 2003 by SmithRJ>; APPROVED <30 JUL 2003 by MorefiRH>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: HIGH COMMISSIONER ANNOUNCES GOP MEASURES TO ASSIST MOZAMBIQUE
TAGS: EAID, MILI, PO, MZ
To: STATE INFO BLANTYRE
CAPE TOWN
DAR ES SALAAM
GABORONE
LISBON
LONDON

LUANDA
LUSAKA
MBABANE
PRETORIA
USUN
CINCLANT FOR POLAD
CINCEUR

Type: TE

Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006